

January 11, 2008

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## SENATE JOINT RESOLUTION No. 3

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DIGEST OF SJ 3 (Updated January 10, 2008 11:25 am - DI 73)

**Citations Affected:** Articles 8 and 10 of the Constitution of the State of Indiana.

**Synopsis:** Limits on school property tax levies. Amends the Constitution of the State of Indiana to provide that property may not be taxed for general fund purposes of common schools or for general operating purposes of common schools. Provides an exception for property taxes that are approved by the voters. Specifies certain purposes that are not considered to be general fund purposes or general operating purposes.

**Effective:** This proposed amendment must be agreed to by two consecutive general assemblies and ratified by a majority of the state's voters voting on the question to be effective.

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Lubbers, Hume,  
Charbonneau, Meeks

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November 20, 2007, read first time and referred to Committee on Appropriations.  
January 10, 2008, amended, reported favorably — Do Pass.

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January 11, 2008

Second Regular Session 115th General Assembly (2008)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2007 Regular Session of the General Assembly.

## SENATE JOINT RESOLUTION No. 3

A JOINT RESOLUTION proposing an amendment to Articles 8 and 10 of the Constitution of the State of Indiana concerning taxation.

*Be it resolved by the General Assembly of the State of Indiana:*

- 1 SECTION 1. The following amendment to the Constitution of the
- 2 State of Indiana is proposed and agreed to by this, the One Hundred
- 3 Fifteenth General Assembly of the State of Indiana, and is referred to
- 4 the next General Assembly for reconsideration and agreement.
- 5 SECTION 2. ARTICLE 8, SECTION 2 OF THE CONSTITUTION
- 6 OF THE STATE OF INDIANA IS AMENDED TO READ AS
- 7 FOLLOWS: Section 2. The Common School fund shall consist of the
- 8 Congressional Township fund, and the lands belonging thereto;
- 9 The Surplus Revenue fund;
- 10 The Saline fund and the lands belonging thereto;
- 11 The Bank Tax fund, and the fund arising from the one hundred and
- 12 fourteenth section of the charter of the State Bank of Indiana;
- 13 The fund to be derived from the sale of County Seminaries, and the
- 14 moneys and property heretofore held for such Seminaries; from the

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1 fines assessed for breaches of the penal laws of the State; and from all  
2 forfeitures which may accrue;

3 All lands and other estate which shall escheat to the State, for want  
4 of heirs or kindred entitled to the inheritance;

5 All lands that have been, or may hereafter be, granted to the State,  
6 where no special purpose is expressed in the grant, and the proceeds of  
7 the sales thereof; including the proceeds of the sales of the Swamp  
8 Lands, granted to the State of Indiana by the act of Congress of the  
9 twenty eighth of September, eighteen hundred and fifty, after deducting  
10 the expense of selecting and draining the same.

11 ~~Taxes on the property of corporations; that may be assessed by the~~  
12 ~~General Assembly for common school purposes.~~

13 SECTION 3. ARTICLE 10 OF THE CONSTITUTION OF THE  
14 STATE OF INDIANA IS AMENDED BY ADDING A NEW  
15 SECTION TO READ AS FOLLOWS: **Section 9. (a) Except as**  
16 **provided in subsection (b), property may not be taxed for general**  
17 **fund purposes of common schools or for other general operating**  
18 **purposes of common schools.**

19 **(b) Property taxes that are approved by the voters may be**  
20 **imposed for the general fund purposes of common schools or for**  
21 **other general operating purposes of common schools.**

22 **(c) For purposes of this section, general fund purposes or**  
23 **general operating purposes do not include any of the following:**

24 **(1) Transportation costs, including bus and vehicle**  
25 **replacement costs.**

26 **(2) Capital project costs.**

27 **(3) Debts related to capital projects.**

28 **(4) Debts related to employee retirement or severance**  
29 **liability.**

30 **(5) Special education preschool costs.**

31 **(6) Costs attributable to programs for improving or**  
32 **maintaining racial balance in a school corporation.**

33 **(7) Other purposes that:**

34 **(A) are specified by the general assembly; and**

35 **(B) are not general operating purposes.**

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## SENATE MOTION

Madam President: I move that Senator Charbonneau be added as coauthor of Senate Joint Resolution 3.

LUBBERS

## SENATE MOTION

Madam President: I move that Senator Hume be added as second author of Senate Joint Resolution 3.

LUBBERS

## SENATE MOTION

Madam President: I move that Senator Meeks be added as coauthor of Senate Joint Resolution 3.

LUBBERS

## COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred Senate Joint Resolution No. 3, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, line 15, after "as" insert "**provided in subsection (b), property may not be taxed for general fund purposes of common schools or for other general operating purposes of common schools.**

**(b) Property taxes that are approved by the voters may be imposed for the general fund purposes of common schools or for other general operating purposes of common schools.**

**(c) For purposes of this section, general fund purposes or general operating purposes do not include any of the following:**

- (1) Transportation costs, including bus and vehicle replacement costs.**
- (2) Capital project costs.**
- (3) Debts related to capital projects.**



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**(4) Debts related to employee retirement or severance liability.**

**(5) Special education preschool costs.**

**(6) Costs attributable to programs for improving or maintaining racial balance in a school corporation.**

**(7) Other purposes that:**

**(A) are specified by the general assembly; and**

**(B) are not general operating purposes."**

Page 2, delete lines 16 through 23.

and when so amended that said bill do pass.

(Reference is to SJR 3 as introduced.)

MEEKS, Chairperson

Committee Vote: Yeas 9, Nays 1.

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